

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE APPLICATION OF OWEN COUNTY )  
RURAL ELECTRIC COOPERATIVE CORPORATION) )  
FOR AN ORDER AUTHORIZING A PASS- ) CASE NO. 8701  
THROUGH OF EAST KENTUCKY POWER WHOLE- )  
SALE POWER RATE INCREASE IN )  
CASE NO. 8648 )

O R D E R

Owen County Rural Electric Cooperative Corporation ("Applicant") filed its application to flow through any increase in rates granted its wholesale power supplier, East Kentucky Power Cooperative, Inc., ("East Kentucky") in Case No. 8648. Applicant is one of 18 member distribution cooperatives of East Kentucky. In Case No. 8648, East Kentucky requested an increase in revenue of approximately \$31,176,207. Of this total increase, Applicant would experience an increase in power costs of approximately \$2,327,794, which represents 7.47 percent of the proposed East Kentucky increase and would result in an overall increase to Applicant's consumers of approximately 13.5 percent.

On November 12, 1982, the 18 distribution cooperatives of East Kentucky filed a motion requesting that they be permitted to deviate from the Commission's rules regarding tariffs and to flow through the increase by use of a proposed procedure for pass-through of the wholesale rate increase ("proposed

procedure"). In its Order of November 19, 1982, the Commission authorized Applicant to deviate from the rules on tariffs and approved the utilization of the proposed procedure.

Owen County proposed a demand charge of \$5.40 in both its general rate case, Case No. 8618, and its request for a flow-through increase, Case No. 8701, in order to keep its demand charge within 60 percent of the wholesale demand charge of East Kentucky. In Case No. 8618, the Commission granted Owen County a demand charge of \$5.12, which exceeds 60 percent of the wholesale demand charge granted East Kentucky in Case No. 8648. Therefore, the Commission is of the opinion that Owen County's demand charge should not be increased in this flow-through case.

The Commission, having considered the evidence of record and being advised, is of the opinion and finds that:

(1) The actual increase allowed East Kentucky in Case No. 8648 is \$18,849,182 which will result in an increase in power costs to Applicant of \$1,407,395.

(2) Applicant's financial condition would be materially impaired if it were not allowed to recover the increased wholesale power costs allowed in Case No. 8648.

(3) The revised rates and charges in Appendix A are designed to reflect only the increased power costs from East Kentucky allowed in the final Order in Case No. 8648.

(4) The flow-through of the wholesale power costs will not result in any additional net margin to Applicant.

IT IS THEREFORE ORDERED that Owen County Rural Electric Cooperative Corporation be and it hereby is authorized to flow

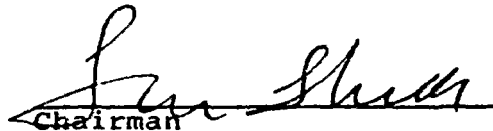
through the increased power costs resulting from the rate increase granted its wholesale power supplier, East Kentucky Power Cooperative, Inc., in Case No. 8648.

IT IS FURTHER ORDERED that the rates in Appendix A shall be placed into effect on the effective date of the East Kentucky wholesale power increase.

IT IS FURTHER ORDERED that Owen County Rural Electric Cooperative Corporation shall, within 20 days from the date of this Order, file its revised tariff sheets setting out the rates and charges approved herein.

Done at Frankfort, Kentucky, this 1st day of April, 1983.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

\_\_\_\_\_  
Secretary

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 8701 DATED APRIL 1, 1983

The following rates and charges are prescribed for the customers in the area served by Owen County Rural Electric Cooperative Corporation. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the date of this Order.

SCHEDULE I  
FARM AND HOME\*

Rates:

Customer Charge	\$ 5.50	Per Month
All KWH	.06768	Per KWH

SCHEDULE I  
SMALL COMMERCIAL\*

Rates:

Customer Charge	\$ 5.50	Per Month
All KWH	.06768	Per KWH

SCHEDULE II  
LARGE POWER\*

Rates:

All KW Demand	\$ 5.12	Per KW of
	20.00	Billing Demand
Customer Charge	.04812	Per Month
All KWH		Per KWH

SCHEDULE III  
SECURITY LIGHTS\*

Rates:

Installed on existing pole where 120 volts are available	\$ 5.22
One Pole Added	6.86
Two Poles Added	8.50
Three Poles Added	10.14
Four Poles Added	11.78

Where a transformer is required, there is an additional charge of \$0.50 per month.

\*The monthly kilowatt hour usage shall be subject to plus or minus an adjustment per KWH determined in accordance with the "Fuel Adjustment Clause."